

Risk Management - Janine Guillot

Objective	Planned Completion Date	Status	Accomplishments
Adopt a risk framework and governance structure	April 2010	√	 Establish a Risk Framework and Governance structure with cross-Investment Office representation Presented Risk Framework to Investment Office staff Risk Governance structure approved by CIO, COIO and SIOs
Complete a risk assessment of the Total Fund investment processes	06/30/11		 Met with AON, who provided framework, initial coaching and project examples Conducted investment office-wide electronic risk survey, compiled results, and developed interview questions for investment office decision-makers
Produce a Total Fund exposure dashboard	06/30/11		Risk Dashboard work socialized among asset classes Assumptions and Outcomes discussed, challenged, and eventually confirmed

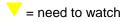
Capital Allocation – Farouki Majeed

Objective	Planned Completion Date	Status	Accomplishments
Build consensus on role of asset classes and risk profile internally	May 2010	✓	Completed
Establish allocation framework for annual capital allocation	May 2010	√	Completed
Conduct ALM Workshop in Q4 and recommend Strategic Asset Allocation targets before year end	12/31/10		In progress
Develop Liquidity Management and Capital Allocation for Private Equity Asset Classes	06/30/11		In progress

Legend:



= on target or trending to target



= management attention needed

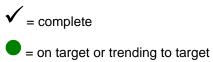
Organization Systems & Controls – Janine Guillot

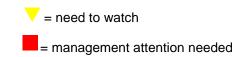
Objective	Planned Completion Date	Status	Accomplishments
Introduce new investment proposal submission and tracking system (Rapid Results Project)	June 2010	√	Completed
Rationalization of Composite Structure (Rapid Results Project)	12/31/10		In progress
Investment Proposal Decision Criteria and Screening Process (Rapid Results Project)	12/31/10		In progress
Continue to identify inefficiencies / gaps	On-going		In progress

Cost Effectiveness / Profit Enhancement – Janine Guillot

Objective	Planned Completion Date	Status	Accomplishments
Improve terms on deals in 2010 in Real Estate, RMARS, AIM, ILAC, and Corporate Governance (Rapid Results Project)	May 2010	√	 \$100 M in cost savings Best practices shared across the asset classes in terms of contract negotiations and alignment of interests Transparency in fees and structures across the asset classes
Improve terms on deals in 2010 and institutionalize associated processes going forward (Rapid Results Project)	12/31/10		In progress

Legend:





2010 Investment Office Roadmap September 2010 Quarterly Report

Financial Market Reform – Anne Simpson

Objective	Planned Completion	Status	Accomplishments
Objective Create a new, diverse pool of talent for boards (Rapid	Date June 2010	Status	AccomplishmentsRapid result achieved –
Results Project)	Julie 2010		Shareowner nomination process agreed upon with United Health Formed advisory committee to steer project (shareowners, diversity groups, companies); developed candidate questionnaire Identified five companies – working with AIM, ILAC and
Establish a total fund process for developing policy and practice on Environmental, Social, and Governance	06/30/11		Real Estate • Develop plan, approved by Internal Strategy Group and Senior Corporate Governance Group • Commissioned Mercer, identified and initiated "Peer
			Group Exchange"
Engage legislators and regulators on market stability and shareholder rights	06/30/11		 Frank/Dodd Financial Market Reform legislation passed with significant CalPERS input at Congressional and Executive level Top priority – Proxy Access – included with 9/12 CalPERS priorities
Develop majority voting standard for director elections	06/30/11		 Engaged 58 companies requesting majority vote reform 13 agreed, 27 in-discussion, 18 have not replied Staff has started the process with the CalPERS Legal Office to begin filing shareowner proposals
Develop financial sector focus list	06/30/11		Met with board directors with 7 of CalPERS 8 largest financial holdings

Legend:

